

December 6, 2016

Subject: Transformative Climate Communities Program

Reporting Period: October – December 2016

Staff Lead: Randall Winston, SGC

Recommended Action:

Adopt the proposed regulation and finalize the rulemaking documents for submission to the California Office of Administrative Law.

Background:

On September 14, 2016, Governor Brown signed AB 2722 (Burke), which created the Transformative Climate Communities Program (Program), a grant program administered by the Strategic Growth Council for broad-based greenhouse gas emission reduction projects that provide local economic, environmental and health benefits to disadvantaged communities. \$140 million is available for the Program for fiscal year 2016-2017, funded through cap and trade auction proceeds.

On September 23, 2016, the Strategic Growth Council proposed to adopt the following regulations for the Program:

Transformative Climate Community Program funds shall be allocated in the cities of Los Angeles and Fresno, and a third location. A minimum of half of the funds shall be allocated in the City of Fresno. A minimum of one fourth of the funds shall be allocated in the City of Los Angeles.

The proposed rulemaking is the first of several actions to develop the Program. Specifically, this action specifies a portion of total program funds for applications from specific geographic locations. In a future process, the Council will develop guidelines and selection criteria for the Program.

Summary of Rulemaking Documents:

The Strategic Growth Council published a Notice of Proposed Rulemaking regarding the Transformative Climate Communities Program on September 23, 2016, on the Council's website. The notice also appeared in the Office of Administrative Law's "California Regulatory Notice Register." (REGISTER 2016, NO. 39-Z.) The express terms of the proposed regulation were made available for public review and comment. The review period closed on November 7, 2016. The Council also hosted a public hearing in the City of Fresno on November 7, 2016, in order to take verbal comments.

In total, the Council received 66 public comments. A summary of the comments and responses to those comments is provided in Appendix A of the Final Statement of Reasons. Marked copies of the comments and hearing transcript are provided in Appendix B. Many of the comments raised similar issues, and so, pursuant to Government Code section 11346.9(a)(3),

the Council aggregated similar comments and responses. For example, multiple comments supported the proposed allocation to the cities of Fresno and Los Angeles, while others suggested different allocations, broader geographies and different criteria. Further, many of the comments addressed selection criteria and the third location, both of which the Council will consider in a future phase of Program development.

Having reviewed and considered all of the comments, and as explained in more detail in the responses to comments, staff has concluded that no revisions to the proposed regulation are needed. No new data or technical, theoretical or empirical study, report, or similar document has been added to the rulemaking file.